FROM: D.HUER Proximity of Desire (POD) Public Assets & Services Valuation Method

Links broken for security purposes



Restructuring the relationship of public and private assets & services, by applying "Location! Location! Location!" to the determination of *delivered value* of public assets and services.

Project Details: https:// davehuer dot com/proximity-of-desire-pod/ Author/Innovator: David Huer¹ Update: 25Oct2023

1) Proximity of Desire (POD):

- **a. Source of Innovation:** Initially, a project to determine the economic value of Nature's watershed services. Initial framework created as subcontractor for the Ecological Accounting Process (EAP) team (NGO with city partners).² And then (post-contract) authoring deeper explanations which were used by the EAP team.³
- b. Innovation: The hidden discovered need was to solve the intractable problem of pricing public real property. Contract details and post-contract private work that led to POD innovation available through links at LinkedIn profile (this includes precedent innovations⁴ at davehuer.com creativity blog). The solution originates from combining factors in the common law, tax credit law, and market forces.⁵

c. First Use Case: Nature's Cost-superior Watershed Services:

- Society had belief of the value of Nature's ecosystem services without financial evidence of the value.
- Nature's watershed service is the capture, supply and management of freshwater assets, and sub-services.
- It has been hard to risk investing public money in Nature's services because the services could not be costed.
- Nature's services are most often delivered using public real property (PRP). In most jurisdictions, PRP is not taxed; so there is no assessment history; so no market price; so not costable; and could not be imagined as profitable; so not financially investable.
- As a result, it has been culturally and politically easier to invest in physical infrastructure (such as a bridge which can be physically observed—to "connect the dots" back to taxes and household earnings), than vital natural infrastructure services that for all intents and purposes might as well be invisible.

d. POD – Forecast Impact to Economics & Valuation:

- Public (1): Widespread Fit: Employs first principles market forces (human desire) so can be used in every jurisdiction.⁶
- **Public (2)**: **Complexity Economics:** Restructures the relationship of public and private assets and services, which creates a new way to apply the Theory of Constraints⁷ (street-level neighbourhood to city-wide, metropolitan areas, and provinces/states).
- Public (3): UNSDG: Usable by Credit-reporting agencies (S&P) to assess the Net Zero/UNSDG creditworthiness of local governments.
- Public (4): Watersheds' Management Use Case: POD drives EAP. Application examples:
 - BC Government and nine cities are using POD/EAP to invest in Nature's (now provably) cost-superior watershed services.
 - EAP validation by Governments and broad stakeholder group therefore validating underlying POD foundation framework.
 - Watershed services' include: Reconstructing value of Nature's assets, contaminated sites' cleanup, and pandemic
 - preparedness prevention programs (mitigating Zoonosis = risk of mammal viruses jumping to humans).
- Public (5) Every Other Type of Public Asset and Services Management:
 - O POD can be applied to other aspects of provision of public services (ex. Schools, Libraries, Electrical Grid, etc.).
 - O Analyzing the public benefit of financial instruments, such as: Public Insurance, Scholarships, Municipal Social Enterprise.
- Private impact:
 - *Citizens:* Rethinking the value-add of *proximity* of public and private assets, services, and customers to each other.
 - O Investment vehicles: Public (tax credits) and private/P3 (patient capital: capex and opex).
 - A future value-add from D.Huer: Could be to combine POD and OrbMB Technology Corp's ORBintel data valuation solution to define non-financial value-adds; for example: to deliver COP15 (Biodiversity) metrics' services.

⁵ POD originates from combining mediaeval law (origins of the common law: Magna Carta, Statute of Merton); seeking to improve Canadian volunteering tax credits' law by developing a method to convert Labour Expenses to Cash; and the mechanics of "first principles' market forces" (human desire).

POD in a 90sec video. Solving the logic problem took 3y. Getting the explanation to 90s is (thus far) 3y. ⁷ https://en.wikipedia.org/wiki/Theory of constraints

¹ Author is a polymath who solves intractable problems by solving to first principles. See: LinkedIn profile: https:// www.dot linkedin dot.com/in/davehuer/ ² The Partnership for Water Sustainability in BC: See: "B" at this creativity blog page: https:// davehuer.com/problem-solving-examples/

³ https:// waterbucket dot ca/gi/wp-content/uploads/sites/4/2022/06/EAP-Synthesis-Report-Beyond-the-Guidebook-2022 Jun-2022.pdf

⁴ A precedent innovation that may be of interest is: https:// davehuer dot com/wp-content/uploads/2014/06/huer-aquifer-float-rights.pdf

⁶On my shelf is a draft method to fit POD into standard project management frameworks (PMP, Prince2). Also one day might work out a script to describe